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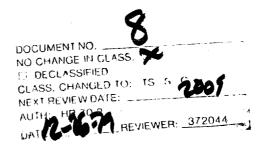
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CURRENT INTELLIGENCE BULLETIN



OFFICE OF CURRENT INTELLIGENCE

CENTRAL INTELLIGENCE AGENCY

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Approved for Release: 2019/10/21 C02989475

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CONTENTS

1.	TURKEY REBUFFS LATEST SOVIET ECONOMIC AID OFFER (page 3).
2.	MIKOYAN REACHES NEW TRADE AGREEMENTS WITH BURMESE age 4).
3.	SOVIET-AFGHAN CIVIL AIR AGREEMENT (page 5).
4.	LAOTIAN PREMIER PLANS NEW APPROACH TO PATHET LAO page 6).
5.	PEIPING MINISTER OF FOREIGN TRADE VISITING SUDAN (page 7).
	* * *
	THE ARAB-ISRAELI SITUATION
	(page 8)

3 Apr 56

Current Intelligence Bulletin

Page 2



Approved for Release: 2019/10/21 C02989475

1. TURKEY REBUFFS LATEST SOVIET ECONOMIC AID OFFER

Comment on:

Turkish prime minister Menderes reportedly rejected Soviet first deputy premier Mikoyan's offer of unconditional economic assistance

which they fear will influence Turkish public opinion despite Turkey's historical animosity toward Russia.

Ankara is aware of the danger of accepting Soviet economic aid. However, relaxation of East-West tensions, persistent Soviet propaganda, and continuing economic deterioration in Turkey will increase Turkish susceptibility to unconditional Soviet offers of economic assistance. A Turkish Foreign Ministry official told the US embassy in mid-March that Turkey feels it necessary to consider relaxing its attitude on cultural exchanges with the USSR.

2. MIKOYAN REACHES NEW TRADE AGREEMENTS WITH BURMESE

Comment on:	
the three-year and years. The exi years and provi	The USSR's latest move toward making Burma the "showcase" in its "competitive coexistence" campaign in Southeast Asia was made on 1 April by Mikoyan and his delegation of trade specialists new trade agreement of that date extends agreement of 1 July 1955 to a total of five isting rice protocol was extended to four ides for the export of 400,000 tons of rice USSRdouble the amount under the earlier
machinery, and rice. The Sino	The USSR thus will become Burma's er. The Soviet Union is to ship 'equipment, dother goods' to Burma in exchange for the Soviet bloc has now contracted for at least has rice exports this year.
and equip a cult stadium, exhibi These ''show pr	According to press reports, Mikoyan build a hospital and a theater, and to build tural and sports center which will include a ition facilities, a conference hall and a hotel. rojects," which like the proposed technical fts to Burma, will have a maximum propa-

3 Apr 56

ganda effect.

Current Intelligence Bulletin

[Concurred in by ORR)

3. SOVIET-AFGHAN CIVIL AIR AGREEMENT

Comment on:	Co	\mathbf{m}	me	nt	on
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Moscow's interest in inaugurating a Soviet air traffic route through the USSR from Europe to South and Southeast Asia was furthered by the

signing of the Alghan-Soviet air agreement on 24 March. The agreement apparently will give the USSR landing rights at three Afghan airfields by July of 1956. Although in return the Afghans were granted landing privileges at four Soviet cities including Moscow, the USSR probably calculates that Kabul would be incapable of organizing an adequate air service without foreign assistance and would either ask for Soviet help or relinquish its rights.

According to the American embassy in Kabul, the fare from Germany to Kabul on the new line is to be as low as \$170, compared to the \$680 first class and \$470 tourist class Berlin-Kabul fare presently quoted by Western lines. With comparable low fares from Europe to points in Southeast Asia, the USSR would offer "cut-throat competition" to Western air lines operating between such points. Kabul would presumably be a major terminal on the main air route to the subcontinent. (Prepared by ORR)

4. LAOTIAN PREMIER PLANS NEW APPROACH TO PATHET LAO

Premier Souvanna Phouma has sent an envoy to ask his brother, Prince Petsarath, to return from his voluntary exile in Thailand and has decided

to enlist Petsarath's influence to persuade the Pathet Lao to surrender, according to the American embassy in Vientiane. Souvanna Phouma admitted that a few hundred Pathets might not respond but contended the vast majority would and that the movement would simply dissolve. If Viet Minh elements remained in the two northern provinces, they could be dealt with decisively thereafter by either diplomatic or military means.

The premier regards Petsarath as a staunch nationalist who could be relied on not to offer the Pathets dangerous concessions.

Comment Petsarath in Thailand has constituted a focal point of intrigue and conspiracy against the Laotian royal family and government for several years, and has been accused of consorting with the Pathet Lao.

A previous attempt, in 1954, by Souvanna Phouma to persuade Petsarath to return to Laos apparently foundered on the latter's insistence on forming a coalition government including the Pathet Lao. Should Petsarath agree to return, the Pathet Lao would probably seize the opportunity of any resultant negotiations to press their campaign for participation in the government.

5. PEIPING'S MINISTER OF FOREIGN TRADE VISITING SUDAN Communist China's minister of foreign trade and three members of his delegation were to leave Cairo for Khartoum on 1 April, The visit is possibly related to Chinese interest in Sudanese cotton. Cairo press reports state that the question of establishing a permanent Chinese Communist trade office in Khartoum also will be discussed. Comment believed Sudanese prime minister Azhari "seriously desired" to establish diplomatic relations with Communist China. Following Egypt's lead, the Sudanese might agree to the establishment of a permanent Chinese Communist trade office in Khartoum, which would increase Peiping's chances for eventual recognition. Nationalist China is currently negotiating for diplomatic relations with the Sudan and has recently sent a six-man trade mission to visit Near Eastern countries in the hope of countering Peiping's efforts in the area.

Current Intelligence Bulletin

Page 7

3 Apr 56

THE ARAB-ISRAELI SITUATION (Information as of 1700, 2 April)

The Greek government has formally granted Israel landing rights for the transit of 12 French Mystere jet aircraft, according to the Israeli Foreign Ministry.